

# MAYOR & COUNCIL AGENDA COVER SHEET

**MEETING DATE:**

April 19, 2004

**CALL TO PODIUM:**

Louise Kauffmann  
Grants Administrator

**RESPONSIBLE STAFF:**

Louise Kauffmann  
Grants Administrator

Nancy Walsh  
Grants Writer

**AGENDA ITEM:**

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
x	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
	Policy Discussion
	Work Session Discussion Item
	Other:

**PUBLIC HEARING HISTORY:**

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	3/31/04
Hearing Date	
Record Held Open	
Policy Discussion	

**TITLE:**

Gaithersburg's Designation as a Formula Grantee for Housing Opportunities for Persons with AIDS (HOPWA) Funding Through the U.S. Department of Housing and Urban Development

**SUPPORTING BACKGROUND:**

The purpose of this hearing is: (1) to introduce Gaithersburg's receipt of Housing Opportunities for Persons with AIDS (HOPWA) funds as a formula grantee in FY05; (2) to provide information on the change in status and how HOPWA funds may be used; and (3) to give residents and interested businesses and organizations an opportunity to offer general suggestions as to how HOPWA funds should be used within Montgomery and Frederick counties.

Staff is preparing an Amendment to its five-year Consolidated Plan to address the receipt of \$535,000 for HOPWA-related activities. This amendment will be presented to the Mayor and Council for approval on August 2, 2004, following a 30-day "draft" comment period. Public input will be included in the final document presented to the Mayor and Council. The amended Plan and the City's Annual Action Plan, which will address HOPWA and Community Development Block Grant (CDBG) funds, will be submitted to the U.S. Department of Housing and Urban Development by August 15, 2004.



Again, the primary purpose of this presentation is to provide the Council and general public information about the HOPWA program and the City's new status as a formula grantee on behalf of the Bethesda-Frederick-Gaithersburg Metropolitan Division.



See attached memo.

**DESIRED OUTCOME:**

Hear staff presentation and provide opportunity for public comment. Staff recommends the record be closed June 4, 2004.

MEMORANDUM TO: Mayor and City Council

VIA: David B. Humpton, City Manager   
Tony Tomasello, Assistant City Manager 

FROM: Louise Kauffmann, Grants Administrator   
Nancy Walsh, Grants Writer 

DATE: April 14, 2004

SUBJECT: City's Designation as a Grantee for the Housing Opportunities for Persons with AIDS (HOPWA) Program Through the U.S. Department of Housing and Urban Development (HUD)

This memorandum provides background information on Gaithersburg's designation as a HOPWA formula grantee. In particular, it describes the funding level anticipated, the designation process, our selection of an administrative agency, and the City's responsibilities as a HOPWA grantee. Attached for your review is a timeline of activities the City must complete before submitting its Action Plan and amended Consolidated Plan to HUD by August 15, 2004.

### **Funding Level**

Effective federal fiscal year 2004, the City is to receive \$535,000 in HOPWA funds on behalf of the newly created Bethesda-Frederick-Gaithersburg Metropolitan Division, which includes Montgomery and Frederick Counties. As the grantee, Gaithersburg is entitled to a 3-percent administrative fee (\$16,050). The remaining \$518,950 will be divided between Montgomery and Frederick Counties based on the number of HIV/AIDS cases in the two counties. (In 2002, Montgomery County had 1,922 reported cases and Frederick, 203; therefore, Montgomery will likely receive approximately 90 percent of the funds and Frederick, 10 percent.) Both counties will receive a significantly lower level of HOPWA funding in FY04 than received when the counties were part of the DC Metropolitan Statistical Area (MSA); in FY03, HOPWA funding for the two counties exceeded \$700,000. This reduction results from the loss of "bonus" dollars received by the counties under the DC MSA because of the large numbers of HIV/AIDS cases in the District of Columbia. (Under the formula allocation for HOPWA, jurisdictions with a higher-than-average per capita incidence of HIV/AIDS receive additional "bonus" funding.)

### **Designation**

Following the Office of Management and Budget's reconfiguration of MSAs,<sup>1</sup> HUD notified the City in October 2003 that Gaithersburg, as the most populous jurisdiction in

<sup>1</sup> The newly configured Washington-Arlington-Alexandria MSA has two Metropolitan Divisions: Washington-Arlington-Alexandria and Bethesda-Frederick-Gaithersburg.

the new Division, would receive such funds on behalf of the Bethesda-Frederick-Gaithersburg Metropolitan Division.

After several months of correspondence and discussion with HUD staff, the City, by letter dated February 25, 2004, agreed to accept HOPWA funding on behalf of Montgomery and Frederick Counties. Given our lack of experience and the need to amend our Consolidated Plan and prepare an Action Plan that would address the needs of persons and families with HIV/AIDS in the Division, we requested a three-month extension of the date by which our Annual Action Plan is due to HUD. The extension was granted, and both the Action Plan and Amended Consolidated Plan are due to HUD by August 15, 2004.

### **Selection of an Administrative Agency**

In notifying us of our grantee status, HUD encouraged the City to designate an administrative agency for the expected grant funds. HOPWA grantees often designate an "administrative agency" (such as a county or State agency) and pass funds through to that agency. The agency, in turn, enters contracts with "project sponsors" (such as Whitman-Walker) that provide housing assistance to eligible persons and families with HIV/AIDS. On March 30, 2004, the City sent a letter to Dr. Liza Solomon, Director of the Maryland AIDS Administration, asking that the State agency serve as our administrative agency. As a competitive grantee for HOPWA funds for several years, the State has experience administering a HOPWA program in 11 rural counties in Maryland. In addition, the State also became a formula HOPWA grantee this year. By letter dated April 8, 2004 (attached), Dr. Solomon indicated that the Maryland AIDS Administration agrees to serve as our administrative agency. In the weeks ahead, we will work with that agency to develop a Memorandum of Understanding outlining our respective roles and responsibilities.

### **Grantee Responsibilities**

In addition to amending our Five-Year Consolidated Plan and preparing and submitting an Annual Action Plan, the City is required to conduct at least two public hearings, and consult with local jurisdictions in the two-county area. We will also be responsible for overseeing the activities of the administrative agency we have selected. Tonight's public hearing is our first HOPWA public hearing; the second will be held May 20, 2004 at a public library in Frederick.

### **HOPWA Assistance**

During the past several months, City staff have met and/or spoken with representatives from HUD, Montgomery County, the City of Frederick, Frederick County, Prince George's County (the current administrative agency for HOPWA funds Montgomery and Frederick Counties receive as part of the DC EMSA), Whitman-Walker, and the District of Columbia. Through these discussions, staff have gained an understanding of the type of assistance HOPWA funds can provide and the approximate number of low-income persons with HIV/AIDS we can serve.

In the past, HOPWA funds for Montgomery and Frederick Counties have been used for tenant-based rental assistance and short-term emergency assistance. With our anticipated level of funding, the City expects to serve approximately 45 Montgomery County residents and 6 Frederick County residents with housing assistance. Under the Ryan White Act, case management services are provided to support these households.

### **Attachments**

**Gaithersburg, MSA**  
**Timeline/Amended Consolidated Plan and FY05 Action Plan**

March 2004	<p><b><u>March 1: (second CDBG public hearing/at Mayor and Council meeting)</u></b>  Held second CDBG public hearing. At the hearing, staff provided an overview of CDBG and interested nonprofits presented public service proposals. Given extension of due date for Action Plan, record to remain open longer than 10 days, giving staff time to prepare amended Con Plan and FY05 Action Plan and consider additional CDBG proposals/applications.</p> <p><b><u>March 30: Letter to Maryland AIDS Administration</u></b>  Letter from City Manager sent to Dr. Liza Solomon requesting that State act as our administrative agency for HOPWA.</p> <p><b><u>March 31: Notice</u></b>  Published notice of first HOPWA public hearing in <i>Gazette</i> and Frederick and Montgomery County papers.</p>
April 2004	<p><b><u>April 2: Due Date for Any Additional CDBG Public Service Project Applications</u></b>  Given the City's extension of the due date for submitting its Action Plan, we will accept and consider additional applications for CDBG public service projects up to 4 p.m. Friday, April 2, 2004.</p> <p><b><u>April 16: Due Date for State to Respond to Request that It Act as Administrative Agency</u></b></p> <p><b><u>April 19: First HOPWA public hearing/recommend CDBG public service projects</u></b>  Hold public hearing at Mayor and Council meeting to provide information on level of HOPWA funding and range of eligible activities and allow residents to provide input on use of HOPWA funds. At hearing, staff will also recommend public service projects for CDBG funding.</p>
May 2004	<p><b><u>May 5: Publish notice of second HOPWA public hearing in Frederick paper</u></b></p> <p><b><u>May 20: Second HOPWA public hearing/Frederick library community room)</u></b>  Hold second HOPWA public hearing at library in Frederick. Like first, second public hearing will provide information on anticipated level of HOPWA funding and range of eligible activities and allow residents to provide input on use of HOPWA funds.</p>
June/July 2004	<p><b><u>30-Day Comment Period (June 30–July 30)</u></b></p> <ul style="list-style-type: none"> <li>• Publish summary of amended Consolidated Plan and proposed FY05 Action Plan (which will include CDBG and HOPWA) in <i>Gazette</i> and Frederick and Montgomery County papers for comment.</li> <li>• Post summary on Gaithersburg, City and County of Frederick, and Montgomery County Web sites.</li> <li>• Make copies of amended Consolidated Plan and proposed Action Plan available for review and comment at locations in Gaithersburg and in Frederick and Montgomery Counties.</li> <li>• Review, document, and decide how to address any comments.</li> <li>• Revise and finalize amended Consolidated Plan and FY05 Action Plan.</li> </ul>
August 2004	<p><b><u>August 2</u></b>  Present final amended Consolidated Plan and FY05 Action Plan to Mayor and Council for approval.</p> <p><b><u>By August 15</u></b>  Submit approved amended Consolidated Plan and FY05 Action Plan to HUD.</p> <p><b><u>August 15 plus 45 days</u></b>  HUD reviews and approves amended Consolidated Plan and FY05 Action Plan.</p>



STATE OF MARYLAND

**DHMH**

Maryland Department of Health and Mental Hygiene  
500 N. Calvert Street, 5th Floor • Baltimore, Maryland 21202

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – Nelson J. Sabatini, Secretary

### AIDS Administration

Liza Solomon, M.H.S., Dr. P.H., Director

April 8, 2004

APR 13 2004

David B. Humpton  
City Manager  
City of Gaithersburg  
31 South Summit Avenue  
Gaithersburg, MD 20877-2098

Dear Mr. Humpton:

In response to your letter, the AIDS Administration would be happy to assist the city of Gaithersburg and the new HOPWA region by serving as the administrative agent for the City of Gaithersburg's HOPWA program, covering Montgomery and Frederick counties.

As a formula and competitive HOPWA grantee ourselves, we administer a HOPWA program in eleven rural counties in Maryland. We accept the responsibility of integrating the administrative, monitoring and partnering activities of Bethesda-Frederick-Gaithersburg EMSA into our existing program, while respecting the geographic earmark of the funding.

We will work with you to develop the MOU to address the specific roles and responsibilities for the AIDS Administration while assuring the City of Gaithersburg's input and oversight as the HUD grantee.

Please let me know if you need any further information for the public hearings or Comprehensive Plan process. Otherwise, Jessica Pollak Kahn and her staff will be in touch with Nancy Walsh and Louise Kauffmann to draft the MOU.

Sincerely,

Liza Solomon, M.H.S., Dr. P.H.  
Director